

***LRC Committee on Property Insurance Rate Making
March 21, 2012
Minutes***

Representative Dockham, chair, gave welcoming remarks and introductions. The Agenda was distributed (Refer to Attachment #1). The first order of business was approval of minutes. Representative McElraft moved the minutes from December 1, 2011 meeting be approved as read, seconded by Senator Brown (Refer to Attachment #2).

Members present were Representative Dockham, co-chair; Senator Brown, co-chair; Senator Hise, Representatives Iler, Jordan, McElraft, and Wray. The Committee Attendance Sheet is attached (Please refer to Attachment #3).

Presentation by Commission Wayne Goodwin

North Carolina Department of Insurance (Refer to Attachment #4.)

Insurance Commissioner Wayne Goodwin was recognized to speak on the coastal and beach homeowners' insurance crisis in this state. Mr. Goodwin stressed the complexity of this area and said it was a balance between protecting consumers and encouraging insurance companies to write policies in the coastal market. He cited the North Carolina Supreme Court case that forbids forcing insurance companies to do business in the state including the coastal and beach regions. He emphasized that insurance companies would leave the entire state unless there could be a balance. Commissioner Goodwin referred to House Bill 1305, which passed in 2009, and said it had capped assessments, offered mitigation credits to homeowners, requested revised territories from the Rate Bureau and slowed the growth of the Beach Plan.

Commissioner Goodwin proceeded to present the following recommendations for proposed legislation to be considered in the upcoming 2012 Short Session and other recommendations to be studied for consideration in the 2013 Long Session of the North Carolina General Assembly.

1. Recommended transparency in property rate filing.
 - (a) Have more from a catastrophe model or models used in a rate filing.
 - (b) Require supporting data when cost of reinsurance was included in rate calculations.
 - (c) Know the actual amounts spent for hurricane reinsurance.
 - (d) Legislation to require having public comment periods before rate hearings as was the practice now.
2. Recommended the Legislature give the Commissioner of Insurance the authority to select the rates if the change requested by the industry was different than the change justified by the evidence.
 - (a) Having the ability to order rate changes other than the current practice which was accept the exact request or accept nothing. It should not be one way or the other. It works for the Auto Industry and would work for homeowners.
3. Recommended the Rate Bureau move forward with expanding the number of coastal territories so coastal residents further inland may have lower rates than those homes on the sand closer to the water. Number of rate levels needed to be more than five rating territories.
4. Recommended requiring the Beach Plan and the Department of Insurance work with the Commissioner of Insurance to study a solution that addressed the possibility of multiple major storms in a year other than the purchase of reinsurance. This would help the surplus grow. The issue of tax exempt bonds is complicated and the Department of Insurance would help with all the intricate details while it was being studied.
5. Recommended tax credits for any new full coverage policy which included wind and hail on beach and coastal regions for the taxable year; which would encourage companies to write more on the coast and discourage growth of the residual market in the Beach Plan.

Commissioner Goodwin thanked members of the committee for looking into this complicated issue along with cautioning them about various studies, reports and recommendations that claim to be independent. He further encouraged the committee members to ask questions and check with the staff at the Department of Insurance, who had expertise in these areas, to determine any unintended results from these studies and reports.

Representative Dockham invited questions from the committee for Commissioner Goodwin.

Senator Brown, co-chair, commented that from his perspective of living on the coast this issue was the number one issue in his district. He said he knew it was a tough issue and that being in business he understood the insurance side of running a business.

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Senator Brown said he had a problem with the modeling theory that was being used and would like to revisit it.

Senator Brown also cited current decision-making which involved *loss history*. He gave the example of someone who had not had a claim in 30 years and recommended that this loss history be a determining factor in premium rates.

Senator Brown expressed concern with the way territories were set; and gave the example of someone who lived inland in Richlands, NC but had the same premium rate as someone who lived on the coast in Swansboro, N.C. He emphasized that these are two totally different risk areas in his county and that he would like to take another look at the way territories are configured.

Senator Brown said it had gotten to the point that these issues were hurting economic development on the coast. He cited his personal premium rates that had tripled in the last 6 years at his home in Jacksonville and emphasized the seriousness of this issue and the importance of addressing it.

Commissioner Goodwin responded that he shared Senator Brown's concerns of these high priority issues. He pointed out that modeling, loss history and territories were all issues within the jurisdiction of the legislature and had also been included in his recommendations.

Commissioner Goodwin explained that modeling was not required by this state but used by the Insurance Industry and relied upon very heavily not just in North Carolina, but in the other states.

The Commissioner responded to Senator Brown's concern that loss histories were not being used to determine premiums would require a statutory change.

In follow-up to Senator Brown's concern that territories needed to be drawn fair and appropriate on the coast and inland, the Commissioner cited the need to strike a balance with the insurance companies and noted that North Carolina has lower rates on the coast than any of the other southeastern states.

Senator Brown responded that he understood insurance was a shared risk, but thought that some parts of the state had benefited from what had happened on the coast and noted rate decreases in other parts of the state.

Mr. Goodwin responded that there was a difference in what had been requested and what had actually been put into place and that there had been no changes in rates. He again stressed not wanting to jeopardize insurance availability in the state.

Representative Dockham asked the Commissioner to give an update on insurance companies' activities in the state.

Mr. Goodwin responded that several companies as a business decision had reduced the number of policies written in the state. He added that some new companies had written policies on the coast and that North Carolina would like to see them have a bigger footprint. He expressed his main concern to be that major players had been scaling back, however he pointed out that HB1305 had slowed that "ticking time bomb". This issue he stressed still needed to be addressed because some companies had said they would only write on the coast of North Carolina with higher rates.

Representative McElraft expressed concern with companies that would only write wind and fire policies in coastal territory and said this had caused a hardship for many seniors who had paid off their mortgages and could not afford these higher premiums. She asked Commissioner Goodwin for a list of insurance companies that would write fire only policies without the wind pool.

Commissioner Goodwin responded that he thought this to be a property right issue for the many people who owned their own homes and wanted to self-insure for the wind risk and that it required legislation. The Commissioner agreed to provide, through his staff, the lists of companies requested.

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Representative McElraft recommended that \$240 million be put into a state catastrophe pool which in four years would add up to a billion dollars. She stressed that this would be a shared resource available to the entire state. The state she proposed would make the profit and not a reinsurance company, who in turn would leave the state.

Commissioner Goodwin responded that this proposal needed an actuarial analysis and that he was open to studying it to see the effect on rates and who would benefit, who would be harmed and what would be the impact on private companies writing in NC. He cautioned that when the state of Florida got into the insurance business, private insurance companies fled the state. He noted that there were some good components in it and he would furnish the data for a study. Chairman Dockham encouraged Representative McElraft to bring this issue forward for a recommendation.

Representative Jordan said that being from the mountains he would like to see data on regional cross subsidization that occurs in NC with insurance.

Commissioner Goodwin responded that data was available on earth activity in the western part of the state; but that currently the wind pool (Beach Plan) only pertained to the beach and coastal areas. It had been suggested that there was a need to look at hazard rates in other areas of the state as well he noted, while at the same time keeping a balance with private insurance companies.

Senator Hise expressed concern with the concept of regionalization and rates being made as a whole; and that the profitable way to be in the insurance market was to predict risks better than the state. He gave the example of a home that existed in a region that had less risk than the overall region it existed in and asked how we could move North Carolina toward a model that looked at every individual property, own its own, and calculated the risks to that property. This he said would result in the market being allowed to control risks which would ensure getting away from the concept that everything in a coastal territory was the same.

Commissioner Goodwin agreed with Senator Hise and noted that this was included in one of his recommendations; to get to a fairer rate you needed more data and the need for more data was closely tied to the risk which was the reason for more territories. He said the smaller the group of people to base the rate on, the better the underwriting.

Representative McElraft recommended credits be given for building codes, tie downs, roof structures, hurricane windows and set backs on the coast in North Carolina. She further recommended that the Insurance Industry and Department of Insurance sit down together and judge how rates are set.

Commissioner Goodwin responded that this was also one of his recommendations and referenced the current practice of either rejecting or accepting requests. He stressed that the law needed to be changed to allow hearing officers the authority to find a workable and lawful decision between the two parties, taking into consideration what the insurance industry wanted and what the other side had requested. He also said rate filings were not up to current date; the most recent rate hearing data was 08/09. Change in mitigation credits would be a first step and he expressed hope that additional mitigation data would be made part of a filing that did not deal with current dates; this would result in having the most complete year of data that was received.

Property Casualty Insurers Association of America

Ms. Nancy Watkins, FCAS, MSSS, Principal and Consulting Actuary, Milliman, Inc.

(Refer to Attachment #5, PCI Statement Regarding Property Insurance Ratemaking in North Carolina. Refer to Attachment #6, North Carolina Beach Plan Presentation.)

Representative Dockham welcomed, through video conferencing, Ms. Nancy Watkins, a Fellow of Casualty Actuarial Society and Principal with Milliman Inc. in San Francisco. Ms. Watkins pointed out that Milliman is an independent actuarial firm of 65 years that consults for PCI. In October 2008 Milliman presented a proposal to the Beach Plan. In 2009 she worked with HB 1305. PCI had asked Milliman to come back this year, 2012, and look at the effects of Beach Plan over the past 3 years. Ms. Watkins noted that Auditors for Beach Plan had

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expressed concern that the previous set up could have affected the solvency of insurers writing insurance North Carolina. Now she said she looked at Beach Plan in North Carolina and saw major improvements due to HB 1305.

Ms. Watkins pointed out that they were in agreement with Commissioner Goodwin's recommendations and proceeded to go over the handouts.

She noted the controversy around models and said that historical models were not good models. She noted in other states models were preapproved and had more information in prescreening or the rate-making process or both. She suggested that North Carolina needed a specified catastrophe recovery model in place before going to the bond market because other states might be involved as well. Please refer to Handout #6, North Carolina Beach Plan Presentation, which included Ms. Watkins' conclusions.

Representative Dockham invited questions for Ms. Watkins from committee.

Representative McElraft referred to the total amount of exposure and gave the example of Hurricanes Fran & Bertha; both were CAT 3, back to back in Carteret County. She felt that total exposure today, because of set-back laws and building codes would not be to the extent it was then and further assumed that today total loss would be from storm surge or a tsunami which would be covered under FEMA which would be different from the wind policy.

Ms. Watkins responded that storm surge exposure was significant for houses and that models now could either include storm surge or not to be reflected as part of the losses. She used Florida as a reference point and the amount it would cost to rebuild. She said the model would consider damageability to home and pardoning features and the model would also reflect those features in estimating damage. She noted that every big storm, examples given were Katrina and Andrew, hits property never having been hit before. Ms. Watkins said Representative McElraft had a legitimate question and that the vetting process for CAT models keeps the current building codes, how long it takes for full compliance and how they factor those into their model.

The presentation concluded without further questions. Rep. Dockham thanked Ms. Watkins for her presentation; along with Peter Capriglione, a member of the staff, for making the video conference possible.

NC-20 Presentation

Willo Kelly, President of NC-20 (Refer to Attachments #7 "Twenty Counties ...One Voice) And Attachment #8, the Beach Plan Distributions and Assessments 1970-2011.)

Representative Dockham introduced Willo Kelly, President of NC -20, which included 20 eastern NC counties. Ms. Kelly emphasized that NC-20 was dedicated to environmental and economic development issues. She referred the 2008 rate filing. She said NC-20 wanted insurance companies to be profitable and solvent but that due to the Beach Plan Insurance Companies now were saying that losses were too great and rates needed to go up 5% this year. She said that insurance companies in the United States held over \$500 billion in surplus to cover catastrophic event losses and believed that the role of insurance companies was decreasing risks and had shifted rates to taxpayers and consumers. She pointed to the higher rates in eastern NC since 1993 as opposed to the 33 counties in North Carolina, which also included the City of Charlotte that had been without a homeowner's insurance rate increase.

Ms. Kelly referred to Commissioner Goodwin's mention of the data included in 2008 rate filing that was 5 years old by the time of the filing and said she appreciated his comments and believed that there had been greater transparency under Commissioner Goodwin. She noted he had held the first public hearing; although declined comments in the dwelling rate filing.

Ms. Kelly expressed concern and noted that the key issue was the Beach Plan's lack of access of coverage and affordability of coverage. Press releases she noted over the past years had said we needed to raise rates to get good companies to write coverage in coastal North Carolina. She pointed out that QBE and Strickland Insurance Companies had left the area and insurance companies were dropping policy holders, leaving

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consumers on the coast nowhere to go. She continued by citing Farm Bureau's reduction and emphasized that the Beach Plan with wind coverage was now the only option on the coast. Ms. Kelly raised serious issues with regard to HB 1305. (Please Refer to Attachment #8, The Beach Plan Distributions and Assessments 1970-2011.)

Ms. Kelly recalled the past 44 years of the Beach Plan's history and pointed out that by general statute it had allowed the development of ocean front properties which had resulted in the North Carolina Insurance Underwriters Association, NCIUA. She claimed that HB 1305 does not touch its surplus but spends money on reinsurance, operating expenses and losses.

In 2009 NC-20 noticed the Beach Plan had started buying reinsurance in 2007. She said reinsurance is a great way to manage risk, but NC-20 noticed that reinsurance cost had gone up in the last 2 years, up to \$198 million at the end of fiscal year 2011, and said this was a vicious cycle which would result in instability of the Beach Plan. Ms. Kelly referenced the heavy dependence on the reinsurance market which she said was not regulated by Department of Insurance but went to foreign markets and suggested the possibility of Tax-Free Bonding to manage catastrophic loss; not if it happened but when it happened. (Please refer to NC-20 Attachment #7). Ms. Kelly concluded that Tax-Free Bonding would lower dependence on reinsurance, add more funds to the surplus, and would create more stability and less possibility of assessment to statewide policy holders which would bring in more companies to write insurance on the coast. She referred to the study released from *Consumer Federation of America*, published in February by Robert Hunter who had written several studies on the insurance industry and shifting of risks.

She also agreed with Representative McElraft's suggestion to take into account the stronger building codes, loss history and storm activity, and emphasized that coastal North Carolina had stronger building codes than most other eastern coastal states. She asked the committee to look at paying hurricane deductibles versus named storm deductions, to look at a statewide catastrophe fund and to look at allowing groups or individuals to be interveners in rate filings.

Representative Dockham invited members to ask questions of Ms. Kelly.

Senator Hise asked Ms. Kelly to explain in detail the Tax-Free Bonding and commented that it sounded like a certificate of participation. She said it was tax free and would look at selling bonds. She said that currently the state buys reinsurance and that tax free bonding could lower that dependence. Senator Hise asked in follow-up if this would be a debt issued by the state without voter approval.

Ms. Kelly responded that this is in the early stage of study needs intricate details worked out.

Representative Jordon was assured that taxes would not be involved in purchase of tax-free bonding.

Without further questions, Representative Dockham thanked Ms. Kelly for her presentation.

Wilmington Association of Realtors Presentation by Kathleen Riely, representing members from south eastern North Carolina.

Please Refer to Attachment #9, Kathleen Riely, Governmental Affairs Director of Wilmington Regional Association of REALTORS.

Representative Dockham introduced Ms. Riely, Wilmington Association of Realtors, representing members in south eastern North Carolina.

Ms. Riely referenced the lawsuit filed by Dare County and explained that she thought this was an issue with the Rate Bureau. She made the following points:

1. She concluded that an overhaul on how rates are made in North Carolina was needed. This, she said, needed to be studied along with why North Carolina was the only state in U.S. that had a Rate Bureau.
 - Another option was direct file. She noted that direct files allowed insurers to compete in the free market.

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2. She noted that SB395, created a third entity. She pointed out that In NC the Rate Bureau and the Commissioner of Insurance were the only ones who had a say in a rate filing and cited SC had a consumer advocate. She also recommended looking at Modeling in the Florida Catastrophe Category as a long term study.
3. Beach Plan Board members needed to be well-rounded and represent everyone.
4. 39 states out of 50 appointed their Commissioner of Insurance which resulted in oversight.

Representative Dockham invited members to ask questions of Ms. Riely.

Senator Brown asked about the Florida modeling. Ms. Riely said NCRB used the air model only, which she said was highly prejudicial for rate increases on coast and that most other states used blended models or more than one model, RMS. Ms. Riely recommended the need for a board or committee to look at modeling and see what was best for North Carolina.

Ms. Riely responded to Representative Jordon's question that the name of the lawsuit she referenced in Dare County was Dare County et al versus NC Department of Insurance.

Representative Dockham asked Ms. Riely how she saw the role of the consumer advocate playing in with the other parts of the puzzle.

Ms. Riely, an attorney, said it was a balance. She referenced SB395 and noted it had bits and pieces of other state's practices. She said this would permit the right of Judicial Review with the rate filing and stressed that NC needed a third entity to be involved in rate making who would be a consumer advocate. Representative Dockham asked Ms. Riely if she saw the Commissioner of Insurance as the guardian of fairness. Ms. Riely responded that she saw Mr. Goodwin as being fair.

Representative Dockham recognized Commissioner Goodwin who responded that the multiple lawsuits Ms. Riely referenced had all been resolved. Commissioner Goodwin addressed Ms. Riely's proposal for the Commissioner of Insurance to be appointed. Commissioner Goodwin said this would take away the voice of the people and would call for a constitutional amendment.

Representative McElraft asked how the Beach Plan Board was appointed and if members were from the coastal counties. It was explained that public members were appointed by the Commissioner of Insurance and those appointed all live in NC-20 counties.

The Commissioner pointed out that Commission members of Fair Plan served as alternates to the Beach Plan and members of the Beach Plan served as alternates to the Fair Plan. Representative McElraft asked if they all have insurance background. Commissioner said 7 appointments were from the industry, 7 appointments from public and of the public 4 were from the industry and all lived in the communities on the coast.

Senator Hise referenced NC-20 financials of Beach Plan (Refer to Attachment #8) and cited the growth of reinsurance cost each year and asked how big of an issue it had become and could reinsurance be included in the rates. Ms. Riely responded that reinsurance companies are off shore mostly in Bermuda because of the prohibitive tax consequences in the United States and that reinsurance covers catastrophic events worldwide. She continued that the reason reinsurance rates had gone up was because of the catastrophe in Japan. Without further questions, Representative Dockham thanked Ms. Riely for her presentation.

Representative Dockham recognized Tim Hovis, Counsel for the Committee, to go over options for committee recommendations (Attachment #10).

Mr. Hovis pointed out that under the LRC rules the report needs to be mailed out to the members 7 days before the next meeting on April 12. At the final meeting the report must be approved verbatim. Mr. Hovis stressed that opportunities for change would be limited; therefore discussion at this meeting would be important. He proceeded to list the options for recommendations based on discussion from the committee members, and noted

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that some of the recommendations had been already recommended by the Commissioner, Ms. Kelly and Ms. Riely.

1. Direct the Rate Bureau to study insurance territories including possible changes to these territories to better reflect claims risk and require them to report to the 2013 General Assembly. Similar language was included in HB 1305 but no direction or requirement that they report. Would work with the Department of Insurance on specific recommendations.
2. Prohibit the practice of linking property and auto coverage (legislation required) has been discussed by the committee.
3. Limit the amount of Agent's Commission paid by the Beach Plan (legislation required). He noted South Carolina limits commission to 10%.
4. Require a public hearing to receive public input on proposed rate increases (legislation required). Commissioner's recommendation.
5. Require insurers to offer a basic fire policy that excludes wind coverage. Work with Department on language.
6. Require a separate hearing for modeled losses. More data on models needed, supported data on reinsurance immediate recommendations.
7. Give the Commissioner authority to set a rate.

Possible issues to recommend for continued study.

- A. Cost of reinsurance
 - Authorize the issuance of bonds by the North Carolina Insurance Underwriting Association using some funds currently used to purchase reinsurance.
 - Establish a statewide catastrophe fund or a catastrophe fund specific to the Beach Plan using funds currently used to purchase reinsurance.
- B. Limit consideration of reinsurance costs in rate filings.

Representative Dockham encouraged members of the committee who had specific recommendations to make them at this time.

Senator Brown recommended looking at the blended model. Representative Iler agreed.

Senator Hise made the following recommendations for continued study:

1. Move to an approval of a model system, establish a standard and make sure Department of insurance had the expertise on staff to evaluate models.
2. Look at a timeline and regular submission from NCRB to change model rates which would open up allowing the Commissioner to make rate revision decisions because rate revisions were at infrequent and unusual intervals and rates were out of date as soon as they were approved.
3. Because the Beach Plan numbers were limited, consider looking at growing the reinsurance market and a percentage of that be reflected in the rates which would include smaller companies and result in more stable markets.

Mr. Hovis asked for clarification that these issues would be for continued study. Senator Hise agreed except for the need to move quickly on the specific model.

Representative McElraft questioned the policy of servicing fees. Representative Dockham recognized a member of the public, Mr. Fletcher Wiley, Wiley Agency, Nags Head, N.C., to respond to Representative McElraft's question. Mr. Wiley said that commission fees were different from service fees and that a service fee by state law is between the agent and the policy holder and would have to be clearly identified when a policy was written. Most agents who wrote the Beach Plan policy did not include a servicing fee. Mr. Hovis said this could be added to the list of issues to study.

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Representative Jordan expressed concern with property coverage and limiting the amount of an agent's commission paid by the Beach Plan. He did not think the General Assembly needed to get into that detail. He also expressed concern with requiring a separate hearing for modeled losses and limiting consideration of reinsurance costs in rate filings. Representative Jordon said he would not support the idea of linking property and auto.

Commissioner Goodwin explained that when auto insurance made a filing request for a rate adjustment, the Department can either accept the request or reject it or go through a hearing process based on evidence. He said that this had worked well with auto insurance. He cited the 1979 Supreme Court case and statute that said in a homeowner's filing the Commissioner could either accept or reject requests with no other option. Commissioner Goodwin recommended that instead of going through the expense of litigation; a hearing officer be allowed to base a decision on the evidence. This he said could also address rate inadequacy; in addition provide for more transparency. Representative Jordan requested a copy of the Supreme Court Case.

Representative McElraft also recommended that there needed to be a public comment period in the statute during the rate filing. She also recommended immediate action on requiring a basic fire policy without wind policy and noted this had consensus of the Commissioner and Senator Brown.

Senator Brown referenced the issue of an agent's commission and expressed concern that it was an incentive for an agent to shift the policy to the Beach Plan because it paid more and stressed that this drives more business to the Beach Plan when we were trying to get people off the Plan. He said he thought South Carolina's 10% commission was a fair number.

Senator Hise asked to know the value of having wind and fire policies linked. He expressed concern with a fire only policy rather than a wind and fire policy. Senator Hise was concerned that there might be a good reason for fire and wind to be linked and asked to have someone explain this reasoning. Both Representative McElraft and Senator Brown said that the hardship this had presented seniors was not acceptable.

Senator Hise questioned insurance agent's commissions. Senator Brown recommended debating this issue and also taking the incentive away. Mr. Wiley, from Nags Head, was recognized and referenced the 1994 & 1995 study done by an outside consultant to determine the correct commission for agents that write business in the Beach Plan. The study walked through the application process which included the time involved in inspecting property, determining the correct property value, photos of the property, and the service on claims. He noted that an extra charge should not be paid for a claim service that it should be included in the 13 % commission. Mr. Wiley continued that there is value to the consumer to provide those services for a Beach Plan policy holder.

Representative McElraft suggested that after the initial year the commissions be lowered to 8% or 10% when there wasn't a rewrite,

Mr. Wiley responded that fluctuation in the market and time spent communicating with the policy holder to ensure they had the correct amount of coverage warranted the current commission. Mr. Wiley addressed Senator Brown's concern that they would rather place business with companies that paid the standard market commission instead of Beach Plan, but said the situation on coast forced companies to do business with the Beach Plan because there were no other markets on the coast. Senator Brown asked if Mr. Wiley thought the commission drove insurance companies to the Beach Plan. Mr. Wiley responded that the Beach Plan is the only option on coast. Senator Brown said he understood that this was the case for property directly on the beach, but that it became a hard argument further inland. Mr. Wiley responded that almost all agents would prefer to write business with independent agents or private insurance companies. Representative Dockham recommended this go into a study.

Representative McElraft recommended that the public comment period have immediate legislative action and that the Department of Insurance and its experts look at all the possibilities that affect rate inadequacy and consumer fairness.

Senator Hise recommended the decision stay within goal posts of the current and proposed new rates.

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Representative Dockham asked the Commissioner for comments. Commissioner Goodwin referred back to public decision and asked for same authority as for car insurance, flexibility based on evidence and the law.

Mr. Hovis, Counsel for the Committee, listed below the recommendations and items for study the committee had discussed.

1. Direct the Rate Bureau to study insurance territories including possible changes to these territories to better reflect claims risk and require the Bureau to report to the 2013 General Assembly.
2. Require a public hearing to receive public input on proposed rate increases.
3. Require insurers to offer a basic fire policy that excludes wind coverage.
4. Give the Commissioner the authority to set rates following a rate filing.
5. Require a separate hearing on modeled losses.
6. Require additional supporting data on models used and on reinsurance costs.
7. Require more than one catastrophe model to be used in a rate filing.
8. Continued study of the issue of property insurance rate making.

Senator Hise made a motion to approve the committee's recommendations for draft legislation and recommendations for studies. Representative Iler seconded the motion which passed by unanimous vote. Representative Dockham adjourned the meeting adjourned at 4:05 p.m.

Representative Jerry Dockham, Committee Chair

Beth LeGrande, Committee Clerk
